



MILPITAS CITY COUNCIL MEETING AGENDA

TUESDAY, SEPTEMBER 1, 2015

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA

5:00 P.M. CLOSED SESSION

7:00 P.M. PUBLIC BUSINESS

SUMMARY OF CONTENTS

I. CALL TO ORDER by the Mayor (5:00 p.m.)

II. ADJOURN TO CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9(d)1 – cases:

- 1) County of Santa Clara, et al. v. Milpitas Economic Development Corporation, et al.; Sacramento County Superior Court, case no. 34-2013-80001436
- 2) Successor Agency to the Milpitas Redevelopment Agency, et al. v. John Chiang, et al.; Sacramento County Superior Court, case no. 34-2013-8001508

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to California Government Code Section 54956.9(d)2 - City as Defendant

III. CLOSED SESSION ANNOUNCEMENTS: Report on action taken in Closed Session, if required pursuant to Government Code §54957.1, including the vote or abstention of each member present

IV. PLEDGE OF ALLEGIANCE (7:00 p.m.)

V. INVOCATION (Councilmember Giordano)

VI. APPROVAL OF COUNCIL MEETING MINUTES – August 18 and 25, 2015

VII. SCHEDULE OF MEETINGS – COUNCIL CALENDAR – September 2015

VIII. PUBLIC FORUM

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. However, the Council may instruct the City Manager to place the item on a future meeting agenda.

IX. ANNOUNCEMENTS

X. ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

XI. APPROVAL OF AGENDA

XII. CONSENT CALENDAR (Items with asterisks*)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

XIII. PUBLIC HEARING

- 1. Conduct Public Hearing and Introduce Ordinance No. 287 Restricting Single-Use Carry-Out Bags (Staff Contact: Steven Machida, 408-586-3355)**

XIV. UNFINISHED BUSINESS

- 2. Receive Presentation on an Overview of the California Public Employees Retirement System (CalPERS) (Contact: Councilmember Marsha Grilli, 408-586-3031)**
- * 3. Receive Update of the Odor Control Report (Staff Contact: Steven Machida, 408-586-3355)**

XV. REPORTS OF MAYOR AND COMMISSION

- * 4. Consider Mayor's Recommendations for Re-appointments to Youth Advisory Commission (Contact: Mayor Esteves, 408-586-3029)**
- 5. Approve FY 2015-16 Annual Work Plan and Approve Change to By-laws of the Sister Cities Commission (Staff Contact: Leslie Stobbe, 408-586-3352)**

XVI. NEW BUSINESS

- * 6. Approve and Appropriate Funds for the Emergency Repairs of Six Storm Pump Stations and Receive Report on Emergency Repairs for Bellew Pump Station (Staff Contact: Nina Hawk, 408-586-2603)**
- * 7. Approve Fiscal Year 2014-15 Year End Budget Adjustments (Staff Contact: Emma Karlen, 408-586-3145)**

XVII. RESOLUTIONS

- * 8. Adopt a Resolution Approving the Annual Investment Policy (Staff Contact: Emma Karlen, 408-586-3145)**
- * 9. Adopt a Resolution Authorizing the Examination of Sales or Transactions and Use Tax Records (Staff Contact: Emma Karlen, 408-586-3145)**

XVIII. AGREEMENTS

- *10. Authorize the Director of Engineering to Issue a Bidder Pre-Qualification Package for the Milpitas Sports Center Sports Fields, Project No. 5104 (Staff Contact: Steve Erickson, 408-586-3301)**
- *11. Approve and Authorize the Director of Engineering to Execute Contract Change Order No. 2 for \$25,000 for the Automated Water Meter Replacement - Phase 1, Project No. 7121 (Staff Contact: Steve Erickson, 408-586-3301)**
- *12. Approve and Authorize the Director of Engineering to Execute Contract Change Order No. 2 for \$250,000 for Main Street Pavement Reconstruction, Projects No. 4277 and No. 3412 (Staff Contact: Steve Erickson, 408-586-3301)**

XIX. ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website.

All City Council agendas and related materials can be viewed online here:
www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Seeking Applications for:

Arts Commission
Community Advisory Commission (alternate)
Economic Development Commission (alternate member and
Commercial/Residential Real Estate broker)
Veterans Commission (2 vacancies)
Youth Advisory Commission

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings in that facility.

AGENDA REPORTS

XIII. PUBLIC HEARING

1. Conduct Public Hearing and Introduce Ordinance No. 287 Restricting Single-Use Carry-Out Bags (Staff Contact: Steven Machida, 408-586-3355)

Background: At its April 26, 2011 meeting, the Recycling & Source Reduction Advisory Commission (RSRAC) recommended the City develop an ordinance to restrict the use of single-use carry-out plastic bags as a low cost alternative to reduce environmentally harmful trash in City storm drains and creeks and meet litter reduction requirements under the City's stormwater permit. In addition, using single-use carry-out bags by consumers is detrimental to the environment, public health and general welfare. Furthermore, the manufacture of single-use carry-out bags requires the production of non-biodegradable plastics and results in the generation of greenhouse gas emissions. RSRAC reaffirmed its approval of a ban on single-use plastic bags at its meeting on April 28, 2015.

The City of Milpitas participated in a Program Environmental Impact Report (EIR) with San Mateo County and the cities of Campbell, Cupertino, Los Altos, Los Gatos, and Mountain View that resulted in a uniform model ordinance that provides clear direction to businesses in the region. On October 23, 2012, the County of San Mateo certified the Program EIR. Based on recent court cases involving San Francisco and Marin County, California Environmental Quality Act (CEQA) categorical exemptions were upheld to restrict the use of single-use carry-out bags. It is therefore recommended the City of Milpitas find that a categorical exemption applies to the ordinance adoption.

The proposed ordinance (copy in the agenda packet) bans single-use carry-out plastic bags for all retail establishments. Paper bags with less than 40% post-consumer recycled material would also be prohibited. To help offset merchant costs, alternative paper bags with more than 40% post-consumer recycled material would be available for a 10 cents charge to the customer. The proposed ordinance does not ban plastic bags for produce, meat, pharmacies, restaurants, and charitable re-use outlets. In addition, the ordinance allows for free paper bags to various government support programs such as California Special Supplement Food Program for Women, Infants, and Children, the Supplemental Food Program and CalFresh.

The proposed ordinance requires elements of accountability to assure compliance with stormwater permit requirements and receive credits for trash load reduction in creeks. For example, merchants would be required to retain records of single-use paper bag sales for three years and, upon request, provide records to the City free of charge. The ordinance further requires merchants show the paper bag charge on invoices and receipts. These requirements are not intended to be cumbersome and City staff would accept simple recordkeeping methods, such as total paper bags sold and allow merchants to hand-alter invoices and receipts to show the single-use bag charge.

Various Bay Area regional organizations, including the Santa Clara County Recycling and Waste Reduction Commission (SCCRWRC) and Association of Bay Area Governments (ABAG), encourage local governments to restrict use of single-use bags because they are a source of litter and waste. Apart from joining the majority of California cities that have already adopted a plastic bag ban, restricting single-use bag distribution will help the City meet mandatory litter control requirements under its stormwater permit at lower costs and reduce environmentally harmful trash to storm drains and creeks.

California Environmental Quality Act: The ordinance is exempt from CEQA pursuant to CEQA Guidelines Sections 15307 (actions by a Regulatory Agency for protection of the natural resources) and 15308 (actions by a Regulatory Agency for Protection of the Environment) each of which provides a separate and independent basis for CEQA clearance and when viewed

collectively provide an overall basis for CEQA clearance. In addition, the City of Milpitas was a participating agency in the Countywide Environmental Impact Report analyzing the environmental impacts of an ordinance to restrict Single-use carry-out bags.

Alternative: Failure to adopt Ordinance No. 287 restricting single-use carry-out bags would result in the City facing higher costs to meet mandatory litter control requirements, according to its current stormwater permit and reduce environmentally harmful trash to City storm drains and creeks.

Fiscal Impact: None. Costs for code enforcement and community outreach will fall under current operating budget for the solid waste program.

Recommendations:

1. Open the public hearing, and then move to close the hearing, following any comments.
2. Move to find as a Responsible Agency that the adoption of an ordinance to restrict single-use plastic bags in Milpitas is exempt from CEQA under CEQA Guidelines Section 15307 (actions by a Regulatory Agency for protection of the natural resources) and 15308 (actions by a Regulatory Agency for Protection of the Environment) and that Milpitas was a participating agency in the County-wide Environmental Impact Report analyzing the environmental impacts of an ordinance to restrict single-use carry-out bags.
3. Move to waive the first reading beyond the title of Ordinance No. 287, following a reading of the title by the City Attorney.
4. Introduce Ordinance No. 287 to restrict the use of single-use carry-out bags.

XIV. UNFINISHED BUSINESS

2. **Receive Presentation on an Overview of the California Public Employees Retirement System (CalPERS) (Contact: Councilmember Marsha Grilli, 408-586-3031)**

Background: At the request of Councilmember Grilli, Mr. Ron Lind, a Milpitas resident and CalPERS Board Member, will provide a presentation to the City Council on the funding status of the state retirement agency CalPERS and how it relates to the City of Milpitas.

Recommendation: Receive a presentation by Ron Lind at the City Council meeting regarding CalPERS.

- * 3. **Receive Update of the Odor Control Report (Staff Contact: Steven Machida, 408-586-3355)**

Background: From July 13 through August 9, 2015, the Bay Area Air Quality Management District (BAAQMD) forwarded 118 complaints originating in Milpitas. 54 complaints identified a garbage odor, 15 complaints identified a sewage odor, and 49 complaints did not identify an odor source. As of the last Council update, the City's odor reporting website had received 24 reported complaints.

Recommendation: Receive the update of the odor control report.

XV. REPORTS OF MAYOR AND COMMISSION

- * 4. **Consider Mayor's Recommendations for Re-appointments to Youth Advisory Commission (Contact: Mayor Esteves, 408-586-3029)**

Background: Mayor Esteves recommends the following:

Youth Advisory Commission:

Re-appoint Alan Pham as a regular member to a term that will expire in September of 2016.

Re-appoint Clare Sern as a regular member to a term that will expire in September of 2016.

Re-appoint Jashandeep Chahal as Alternate No. 1 to a term that will expire in Sept. of 2016.
Re-appoint Ravit Sharma as Alternate No. 3 to a term that will expire in September of 2016.
Re-appoint Christie Maly as Alternate No. 4 to a term that will expire in September of 2016.

Recommendation: Receive Mayor's recommendation for re-appointments to the Youth Advisory Commission.

5. Approve FY 2015-16 Annual Work Plan and Approve Change to By-laws of the Sister Cities Commission (Staff Contact: Leslie Stobbe, 408-586-3352)

Background: Founded May 21, 1996. The Milpitas Sister Cities Commission (SCC) serves as an advisory body to the City Council on matters affecting sister cities relationships, programs, and activities. The Commission also reviews applications for sister city affiliations and forwards recommendations to the City Council for the establishment of future agreements. Commissioners are appointed to three-year terms and alternates are appointed to two-year terms. The Milpitas Unified School District has a non-voting member appointed to the Commission and there is one student non-voting member.

The City of Milpitas has three sister city relationships and one friendship city:

- Tsukuba, Japan – Sister City since March 1996
- Dagupan, Philippines – Sister City since April 2003
- Huizhou, China – Sister City since April 2004
- Seongnam City, North Korea – Friendship City since April 2015

The SCC offers the draft work plan for fiscal year 2015-16 (copy in Council's packet). The annual work plan follows the fiscal year to track expenses for sister city activities which are supported by a spending limit of \$6,240 from the Council's community promotions budget.

Work plan highlights include an upcoming recommended sister city relationship with Seongnam City, South Korea; continuing a second successful year of the electronic pen pal project with sister city students and students from the Milpitas High School's Digital Business Academy, and; begin recruiting home stays for October 2016 visits at the January 28, 2016 SCC meeting. Proposed projects to be completed with City staff include signage about sister cities in the City Plaza and a display of Memorandums of Understanding on the second floor rotunda area.

The FY 2014-15 year focused on the issue of fundraising and included Commissioner-led research and a two-meeting workshop with a non-profit consulting professional about the reasons to raise funds and possible events. The main reasons for fundraising are to provide stipends to teachers and students for travel to sister cities and for host families to help with costs of food and other expenses. Commissioners raised concerns about its capacity to host and sustain events that would support these activities. After a study of what other cities with affiliated associations accomplish through fundraising, the Commission determined events of this nature were beyond the scope of the SCC's abilities. It is the SCC's finding that large scale fundraising would require the formation of a non-profit association. However, the SCC also found that local, "ready-made" events, such as the International BBQ, would allow an opportunity for smaller-scale fundraising. This will be considered as part of this year's work plan.

The SCC also reviewed obtaining corporate sponsorships and involvement with sister city relationships and activities. It was determined that a seat on the Commission designated for a representative of a company with a significant corporate presence in Milpitas would provide an invaluable guide for the SCC. At its March 26, 2016 meeting, the SCC voted to recommend a change to the by-laws to reserve a seat for a corporate business representative. This change is consistent with other Commissions that reserve seats for representatives of institutions and businesses that are not required to be Milpitas residents.

Recommendation: Approve the FY 2015-16 Work Plan and approve one change to the By-laws of the Sister Cities Commission related to membership.

XVI. NEW BUSINESS

- * **6. Approve and Appropriate Funds for the Emergency Repairs of Six Storm Pump Stations and Receive Report on Emergency Repairs for Bellew Pump Station (Staff Contact: Nina Hawk, 408-586-2603)**

Background: In July 2013, a comprehensive update of the City's Storm Drain Master Plan ("SDMP") was completed by Schaaf & Wheeler Consulting Civil Engineers. This plan took a comprehensive approach in evaluating storm drain system performance and future storm water infrastructure needs. The SDMP focuses on the City's drainage system, including thirteen critical storm water pump stations. The City of Milpitas Public Works Department operates and maintains these thirteen storm water pump stations.

Six Pump Stations - Emergency Repairs:

In preparation for the 2015 winter season, City staff reviewed the SDMP and performed additional site condition assessment of each pump station, and determined six (6) of the thirteen (13) pump stations are in need of emergency repairs and service. The six pump stations needing emergency repair and service include: Minnis Pump Station, Jurgens Pump Station, Manor Pump Station, Bellew Pump Station, California Circle Pump Station and Spence Creek Pump Station. The repairs and service required for these sites include, but are not limited to: pump inspection, minor pump maintenance, pump bearing and seal replacement, automated control strategy, backup power retrofits, installation of new pumps, variable frequency drive repair/replacement and generator installation. Due to the short time frame before the start of the rainy season, staff requests that the City Council authorize the emergency repairs of these six pump stations. The Bellew Pump Station is already under emergency repair. Contracting for these emergency repairs and service through a competitive solicitation for bids would cause a delay that the project will not permit due to the short timeframe before the rainy season and would jeopardize the public health, safety and welfare.

Cost Estimate and Analysis:

The preliminary cost estimate for these emergency repairs are found in the document "Storm Water Pump Station – Fall 2015, Cost Estimates for Emergency Repairs and Service" included in the Council's agenda packet. The total estimated cost for emergency repairs required for these six pumps stations is \$557,086.00. The cost estimate includes a 20% contingency fee and a 10% project management fee to provide technical support for these repairs to ensure completion prior to winter. \$104,535.00 of the total estimate is for the emergency repair work currently underway at Bellew Pump Station.

Report on Emergency Repairs for Bellew Pump Station:

The Bellew Pump Station has an underground storage tank containing diesel fuel which is leaking into secondary contaminant and needs to be removed immediately. In the event that electrical power is lost to the site, this tank is used to provide back-up power to the storm pump station site. The work for this repair is currently underway to limit environmental dispersion and/or liability to the City. The emergency work for Bellew Pump Station includes removal of the fuel, the tank and retrofitting the existing generator.

Fiscal Impact: There are sufficient funds in the amount of \$557,086.00 in the General Government CIP Fund to fund these repairs. Staff is requesting \$557,086.00 be appropriated to the Public Works Utilities Maintenance - Repair and Maintenance budget as follows: 400-423-4241 (\$278,543) and 450-423-4241 (\$278,543).

Recommendations:

- 1) Approve the emergency repairs of six Storm Pump Stations for the not-to-exceed amount of \$557,086.00 and appropriate funds from the City's General Government CIP Fund to the Public Works Utilities Maintenance Repair and Maintenance budget.
- 2) Receive the report on emergency repairs of the Bellevue Pump Station.

*** 7. Approve Fiscal Year 2014-15 Year End Budget Adjustments (Staff Contact: Emma Karlen, 408-586-3145)**

Background: Finance staff is in the process of closing the City revenue and expenditures accounts for the fiscal year 2014-15. To maintain conformity with the City's budgeting policies and to prepare for the annual external financial audit, staff examined all the expenditure accounts of various funds and determined that the following budget adjustments are necessary. The reason for the budget adjustments is primarily due to necessary expenditures made during the fiscal year that were not anticipated when the FY 2014-15 budget was developed.

The detail for each budget adjustment item is described below.

- 1) Increase the budget appropriations for Planning and Neighborhood Services Department by \$2,260. The City collected fees from developers to be used for a General Plan update. During the fiscal year, the Planning Department incurred expenditure to initiate the update by filing a notice for CEQA Document Declaration at the County Recorder's office. The source of funding for the budget appropriations is the Community Planning Fund.
- 2) Increase the budget appropriations for Non-department budget by \$6,937 for rental fees of a fence for the McCandless property. The source of funding for the budget appropriations is the Transit Area Impact Fee Fund.
- 3) Increase budget appropriations for non-department by \$2,495. The increased amount is related to audit fee incurred for the audit of projects funded by the Transportation Development Act grant. The source of funding for the budget appropriation is the Street Improvement Fund.

A Budget Change Form identifies the three items and budget codes associated with these increases in the budget, and is included in the Council's agenda packet.

Fiscal Impact: The budget adjustments reduce the fund balances of the various funds as follows: \$2,260 Community Planning Fund, \$6,937 Transit Area Impact Fee Fund and \$2,495 Street Improvement Fund.

Recommendation: Approve the Fiscal Year 2014-15 year-end budget appropriations, itemized in the budget change form.

XVII. RESOLUTIONS

*** 8. Adopt a Resolution Approving the Annual Investment Policy (Staff Contact: Emma Karlen, 408-586-3145)**

Background: Investment laws require all local agencies to develop an annual investment policy that must be considered by the legislative body of the local agency at a public meeting. The Annual Investment Policy (the Policy) for the City of Milpitas is submitted for Council review and approval. Finance staff continues to monitor the changes to the California Government Code in regards to investment parameters and allowable investments that may impact the City's investment policy.

Staff proposes a change to the Investment Policy to allow investments in Medium-term Corporate Note and Commercial Paper issued by corporations whose long-term debt are rated "A" or better by at least two nationally recognized statistical rating organizations. The City's current

Investment Policy is more restrictive as it limits investments in Medium-term Corporate Note and Commercial Paper issued by corporations whose long-term debt are rated “AA” or better. The proposed change is consistent with the California Government Code. Securities with an “A” rating by at least two nationally recognized statistical organizations are considered safe investments with low credit risk.

The updated Policy is in compliance with the provisions of the California Government Code, Sections 16429.1-16429.4 and 53600-53610, the authority governing investments for municipal governments.

Fiscal Impact: None.

Recommendation: Adopt a resolution of the City of Milpitas approving the Annual Investment Policy for FY 2015-16.

*** 9. Adopt a Resolution Authorizing the Examination of Sales or Transactions and Use Tax Records (Staff Contact: Emma Karlen, 408-586-3145)**

Background: The City entered into an agreement with MuniServices LLC (formerly known as MBIA MuniServices Company) to provide financial consultant services that consist of sales and use tax audit, quarterly sales tax analysis and reporting, and property tax audit. In order to perform these services, it is necessary for the consultant to examine the sales or transactions and use tax records administered and maintained by the State Board of Equalization (“SBE”). The SBE required that the sales or use tax records obtained from the SBE can only be used for the purposes of revenue forecasting or detecting deficiencies or misallocations. The SBE requires the City to update the resolution to authorize the examination of sales or use tax records. The resolution also designates MuniServices LLC as the representative of the City specifically to examine these records.

Fiscal Impact: Potential revenue gains if sales tax misallocations are detected.

Recommendation: Adopt a resolution authorizing the examination of sales or transactions and use tax records.

XVIII. AGREEMENTS

***10. Authorize the Director of Engineering to Issue a Bidder Pre-Qualification Package for the Milpitas Sports Center Sports Fields, Project No. 5104 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: Construction documents for construction of the Sports Center Sports Fields are being prepared, with start of construction anticipated in January of 2016. The project provides for installation of a new synthetic turf soccer field, multipurpose field that can be used for football and soccer, stadium lighting, and field furniture. The City budget for the work is \$2,300,000, and the goal is to fast track construction to June of 2016 for use by the 4th of July in 2016.

Installation of synthetic turf fields is a specialization that requires experience to install correctly to maintain the product warranty and its integrity. Due to the uniqueness of synthetic turf installation and the tight construction schedule, staff recommends use of a bidder pre-qualification process to establish a list of pre-qualified bidders that will be allowed to bid on the project later this fall. This process has been successfully used on other recent City projects including the Sports Center pool renovation, Barbara Lee Senior Center and the Milpitas Public Library.

Staff is preparing the bidder pre-qualification package for this project and seeks authorization to advertise the package in the fall. The process would allow interested bidders to submit their qualification materials to the City for review and approval. Only bidders that can prove recent relevant experience with synthetic turf installation and in the completion of successful projects will be approved.

Alternative: Denial of this request would result in not pre-qualifying the potential bidders. The pre-qualification process allows the City a better process for determining a responsible bidder and to fast track projects with a limited construction window.

Fiscal Impact: None. Sufficient funds will be available in the project budget at time of award.

Recommendation: Authorize the Director of Engineering/City Engineer to issue a bidder pre-qualification package for the Milpitas Sports Center Sports Fields, Project No. 5104.

- *11. Approve and Authorize the Director of Engineering to Execute Contract Change Order No. 2 for \$25,000 for the Automated Water Meter Replacement - Phase 1, Project No. 7121 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: This project provides for replacement of old water meters servicing the Pioneer Mobile Home Park on Dixon Landing Road and Mobilodge on North Milpitas Boulevard. A total of three new automated water meters will be installed to increase efficiency and accuracy in tracking water usage. Existing water meters, valves, and plumbing systems at these locations are very old and detailed city records of what was originally installed are not available.

To complete the installation work, a water system shut down is required for a period of several hours and will affect many residents and businesses. The system outages will be along Washington Drive from North Milpitas Boulevard to Fountainbleu Avenue. Staff recommends installation of an additional water system isolation valve at North Milpitas and Washington Drive to allow the City more control over isolating the water main system during an emergency, and the new valve will reduce the number of residents affected by the water shut down for this project. The estimated cost to install this additional valve is not to exceed \$25,000, and staff requests authorization for the Director of Engineering/City Engineer to execute the Change Order for this work so that it may proceed. The construction contract was awarded to Preston Pipelines in the amount of \$308,600.

Alternative: Denial of this request would result in the City losing the opportunity to improve system operations, and impacting a greater number of residents during the water main shutdown to install the new meters.

California Environmental Quality Act: This project is categorically exempt under Section 15301 of the CEQA guidelines for maintenance of existing facilities.

Fiscal Impact: None. Sufficient funds are available in the project budget.

Recommendation: Approve and authorize the Director of Engineering/City Engineer to execute change order No. 2 for the Automated Water Meter - Phase 1, Project No. 7121 cumulatively not to exceed \$25,000.

- *12. Approve and Authorize the Director of Engineering to Execute Contract Change Order No. 2 for \$250,000 for Main Street Pavement Reconstruction, Projects No. 4277 and No. 3412 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: On April 7, 2015, the City Council awarded a construction contract to Ghilotti Construction Company for the Main Street Pavement Reconstruction Project, Project No. 4277. The \$3,046,388.75 contract provides for the reconstruction and overlay of portions of South

Main Street, Serra Way, Curtis Avenue, and Corning Avenue. Work includes the reconstruction of sidewalk, pedestrian ramps, curb gutter, driveways, traffic signal modifications, and installation of street trees. The roadway reconstruction work will correct the existing high roadway cross slope and allow for new crosswalks to be placed at the proper elevations as required by statute.

In the 1920s, South Main Street was constructed as State Route Highway 17. The old highway was constructed using narrow 6-inch thick concrete slab. In the 1950s, there were several projects to widen Highway 17 (South Main) to the width seen today and the concrete slab was over laid (buried) with asphalt concrete. The original concrete highway slab buried under the asphalt meanders within the limits of South Main Street. The exact location and depth of the concrete slab, as well as underground utilities installed in the 1950s and earlier, is not always located as shown on the plans (As-Builts.).

Work to reconstruct South Main Street commenced May 1, 2015 with installation of traffic signal facilities, sidewalk, curb and gutter improvements. The pavement removal and replacement work started on August 10. In the process of removing and replacement of the old pavement, several buried unforeseen conditions were discovered that require additional work to correct. Wet, unstable soils and utility trenches were discovered in various spots along South Main Street that are not supporting the new pavement. These soft spots will need to be re-excavated and plugged back with a larger deeper section of new asphalt concrete to bridge the poor soil conditions. The old highway concrete slab was also encountered in several locations, and its depth is such that it will prevent installation of the new road surface at the new elevation. Removal of the interfering portions of the concrete slab is required to proceed with installation of the improvements on South Main.

Staff negotiated change order for this work with a price not to exceed \$250,000. City Council is requested to approve this additional work and there are sufficient funds in the project budget for this work.

Alternative: Denial of this request would result not completing the improvement work to South Main Street.

California Environmental Quality Act: The project is exempt under Section 15301 (Existing Facilities) of the CEQA Guidelines.

Fiscal Impact: None. Sufficient funds are available in the project budgets of Projects No. 4277 and No. 3412.

Recommendation: Approve and authorize the Director of Engineering/City Engineer to execute contract change order No. 2 for \$250,000 for Main Street Pavement Reconstruction, Projects No. 4277 and No. 3412.

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, SEPTEMBER 15, 2015**